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100th Congress
1st Session

HOUSE COMMITTEE PRINT NO. 4

REPORT

TO THE

COMMITTEE ON THE BUDGET

FROM THE

COMMITTEE ON VETERANS' AFFAIRS

SUBMITTED PURSUANT TO SECTION 301 OF THE CONGRESSIONAL BUDGET ACT OF 1974

ON THE

BUDGET PROPOSED FOR FISCAL YEAR 1988

FEBRUARY 25, 1987.—Printed for the use of the Committee on Veterans' Affairs of the House of Representatives

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1987

68-632 O

For sale by the Superintendent of Documents, Congressional Sales Office
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H762-5

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February 25, 1987

Honorable William H. Gray III
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed are the recommendations of the Committee on Veterans' Affairs on budget levels for veterans benefits and services for fiscal year 1988. The recommendations will generally allow the VA to deliver services to our nation's veterans during the next fiscal year at a current services level. We commend the recommendations to you as being frugal, fair and reasonable.

Over the past few years a number of veterans programs have been reduced or eliminated to help reduce the deficit. Burial benefits have been reduced, effective dates of awards of compensation and pension have been delayed, COLAs for veterans who receive compensation and pension have been postponed, automatic eligibility for free medical care for veterans over the age of 65 has been eliminated, and a substantial number of programs were reduced as a result of Gramm-Rudman-Hollings.

The following highlights the major concerns of our Committee.

-- The VA medical program has operated for some years with a no-growth budget.

-- While benefit levels are generally adequate, due to staffing shortages, their administration has unacceptable performance levels in terms of timeliness.

-- Disabled service-connected veterans who are eligible for vocational rehabilitation face increasingly long waiting times for necessary counseling and placement services.

-- Due to lowered interest rates and the improved economy, the GI loan program has eclipsed all previous records and shows no sign of letting up; however, the timeliness of processing these loans is very poor.

-- Funds for the Veterans Job Training Program are exhausted at a time when hundreds of applications for this benefit are still being received.

-- According to the latest information, the VA is still turning away--mostly from its medical outpatient treatment program--some 35,000 veterans each month.

-- In any given month, the VA is treating some 1,000 AIDS patients on a largely unbudgeted basis at an annual cost of $40,000 each. The number of veterans treated may double by the beginning of next year.

-- VA patients are invariably either service-connected or elderly and poor. The proposed budget of the Administration would cause at least 13,000 of these individuals not to be treated and would reduce outpatient visits by more than 113,000.

-- Last year the Congress passed legislation providing for a medical means test and copayments for non-service-connected veterans with incomes above $25,000. They average only about 2-1/2% of the total VA medical workload and have little effect on the total VA patient load. Our Committee rejects the Administration's proposal to effectively change this legislation because it would adversely affect all other VA patients--service-connected and non-service-connected alike.

The Administration has proposed the following legislative initiatives which our Committee or the Appropriations Committee, or both, must consider:

a. While the Committee agrees with the Administration's proposal to make the New G.I. Bill permanent, we reject the Administration's proposal to change the new G.I. Bill program to one funded entirely by the Department of Defense.

b. We approve a suggested 3.5% COLA in compensation and DIC benefits to be effective December 1, 1987.

c. We reject a $75 million rescission that would move the proposed medical eligibility change mentioned above back into fiscal year 1987.

d. We reject an increase in the origination fee for GI home loans from 1% to 2-1/2%.

In addition to the above actions, our Committee requests additions to the Administration's proposed 1988 budget as follows:

a. $289 million for the VA medical program to provide for current services to preclude a reduction of patient load, preclude absorption of last year's pay increase, restore the OMB-imposed 1% "productivity" reduction, restore 4,400 of its medical employees and avoid use of equipment and supply money to pay for personnel.

b. $18 million for design or construction of four nursing homes to be added to the VA system to care for aging veterans.

c. $15 million to enhance the VA's domiciliary program to provide more care for the nation's homeless veterans.

d. $60 million to continue the VA's Veterans Job Training Program.

e. $10 million to allow the VA to administer benefits on a timely basis.

f. $30 million for treatment of veterans with AIDS, and $5 million for AIDS research.

g. $25 million for a computer-supported, cost-based resource allocation program that is vitally needed.

Our recommendations will require $371 million in new entitlement authority based on preliminary CBO estimates. If these estimates are revised, it will necessarily require a change in this amount.

Despite our intention of maintaining appropriate spending levels for the VA's health care budget, federal outlays for this purpose as a percentage of total federal outlays for health have declined from 11.4 percent in 1977 to 8.4 percent in the current fiscal year. What this means is that outlays for Medicare have increased by almost $54 billion while outlays for veterans health care have increased only $6 billion.

We can assure you that the House Veterans' Affairs Committee is fully aware of the national need for frugality. However, veterans programs deserve a very high priority on the moral agenda for our nation. The increased amounts which we request to

be added to the Administration budget are not excessive when viewed in terms of a $27 billion overall budget. We would point out that each year the VA is requested to do more with less. It is asked to treat more veterans, use more modalities of treatment, increase productivity, provide timely services, increase rehabilitation services, increase outreach, provide more benefits for the homeless veteran, and provide for the problems of the aging veteran. Yet the percentage of total federal outlays spent on veterans benefits and services in FY 1987 is 2.6% as compared to 4.4% only 10 years ago.

In our view, the Veterans Administration has performed admirably by doing all of the above and more, but it has reached a point of diminishing returns--for each dollar cut, we are losing more than a dollar's worth of services. While we will continue to urge and insist upon improvements in every facet of its activities, we believe the VA must be funded at the level we suggest in order to keep its head above water. We encourage you to give our budget recommendations your favorable consideration. They represent the unanimous opinion of the Committee on Veterans' Affairs, and, in our view, the overwhelming majority of the Members in the House.

Sincerely,

Sonny

G. V. (SONNY) MONTGOMERY
Chairman

Jerry Solomon

GERALD B.H. SOLOMON
Ranking Minority Member

GVM:cls

Enclosure

OVERVIEW

The Veteran Population

Throughout the more than 200-year history of the United States, nearly 38.3 million men and women have served in the Armed Forces during wartime. Nearly 1.1 million servicepersons sacrificed their lives in the defense of our country during periods of armed conflict. At the close of fiscal year 1986, there were approximately 22.0 million living war veterans. A total of 35.3 million served during the Spanish-American War, World War I, World War II, the Korean conflict and Vietnam era and 697,000 died in service to their country. In addition to the 22.0 million living war veterans, there were about 3 million veterans who served only during the peacetime period between the Korean conflict and the Vietnam era, as well as 2.3 million peacetime veterans who entered military service after May 7, 1975, and have since returned to civilian life. An additional 0.4 million other peacetime veterans served prior to the Korean conflict.

The total number of veterans living in the United States and Puerto Rico has been declining for several years. The number of living veterans decreased during fiscal year 1986 to 27.7 million, a loss of 175,000 from the end of fiscal year 1985. This contraction of the veteran population resulted from the loss of 432,400 veterans who died during fiscal year 1986 and the reentry of 25,500 veterans into active duty service, partially offset by the 283,100 service personnel discharged from active duty.

The median age of all veterans in civilian life as of September 30, 1986 was 53.4 years.

Veterans 65 years of age or older totaled 5.5 million (or 1 of every 5 living veterans) at the end of September, 1986. Their numbers are expected to peak at 8.9 million in 1999, then decline to some 5.8 million by 2030. By the year 2000, approximately 3 of every 5 males 65 years old and over will be veterans. By the end of fiscal year 1995, 1 of every 3 veterans will be 65 years old or older.

While the total number of male veterans continues to decline, the female veteran population is growing. Female veterans in the United States and Puerto Rico totaled 1,183,000 at the close of fiscal year 1986. By the year 2000, their numbers are expected to increase to 1,266,000.

Veterans Benefits

This country has historically provided the veterans of its wars and their survivors with certain aid and benefits in expression of gratitude for their sacrifices and hardships.

Programs available to veterans and their dependents or survivors (Office of Management and Budget function 700) are, for the

most part, based on long traditions of compensating former servicepersons for hardships incurred in the course of military service. Most of the major programs discussed below are administered by the Veterans' Administration in support of these former members of the armed services and their survivors and dependents.

Compensation.—Payment to veterans who have incurred disabilities in military service. Payments vary with the extent of disability and the amount of income foregone because of that disability. The severely disabled also receive fixed statutory awards and dependents' allowances. Dependency and indemnity compensation is paid to survivors of veterans who died from service-connected causes.

Pensions.—Payment to non-service-connected disabled and aged wartime veterans and their dependents or to their survivors if the recipients' income falls below certain levels.

Readjustment benefits.—Financial assistance for education, training and rehabilitation to veterans and to certain of their dependents or survivors.

Hospital and medical care.—Eligibility was revised by Public Law 99-272. Provided, usually in VA facilities, to service-connected disabled veterans, former prisoners of war, veterans exposed to Agent Orange and/or ionizing radiation, veteran pensioners, any other veterans who are unable to pay for the cost of care, as well as certain other veterans on a resource available basis. Dependents of 100 percent service-connected disabled veterans and survivors of veterans who died from a service-connected disability are provided care through an insurance program administered for the VA by the Department of Defense, the Civilian Health and Medical Program of the Veterans' Administration (CHAMPVA).

Other veterans' programs.—Include direct and guaranteed housing loans, life insurance and burial benefits. The VA also operates programs such as research and health manpower training to support its medical care delivery system.

ANALYSIS OF PRESIDENT'S BUDGET REQUEST AND COMMITTEE RECOMMENDATIONS

Benefits and General Operating Expenses

INCOME SECURITY FOR VETERANS

Compensation.—For the seventh year, the Administration proposes dividing the Compensation and Pensions appropriation into three appropriation accounts—Compensation, Pensions, and Burial benefits and miscellaneous assistance. The Administration believes this structure would achieve a more informative presentation of the budgetary requirements for these major benefit programs, and that adoption of this new appropriation structure would more closely correspond to a government-wide functional program classification and facilitate program presentation. The committee on Appropriations does not agree.

In fiscal year 1988, it is estimated by the Administration that 2.20 million veterans with service-connected disabilities will receive

monthly compensation under existing legislation totaling $8.3 billion. Approximately 323,000 survivors of veterans whose deaths were service-connected or related to service-connected disabilities will receive an additional $2.1 billion. The total compensation requirement is $10.35 billion.

For fiscal year 1988, legislation is proposed by the Administration for a 3.5 percent indexed cost-of-living increase in compensation payments, effective December 1, 1987, at a cost of $301 million. This will bring the total compensation payments as estimated by the Administration for fiscal year 1988 to $10.66 billion. The committee accepts the proposal for a 3.5 percent COLA, and will hold hearings on the Administration's proposal to index compensation and dependency and indemnity compensation benefits.

Proposed compensation enhancements.—Public Law 97–37 expanded basic eligibility criteria for certain benefits and health care for former prisoners of war by reducing the requisite incarceration period from 6 months to 30 days for a presumption of malnutrition; provided service-connected benefits for psychosis and anxiety states regardless of when first shown unless there is an intercurrent cause; and provided inpatient and outpatient medical treatment on a new priority basis.

Public Law 99–576 further expanded the criteria for service-connected benefits eligibility for former prisoners of war by adding two additional medical conditions—traumatic arthritis and organic residuals of frostbite— to the list of diseases for which service-connection will be presumed if the disease is manifested to a compensable degree following service with no intercurrent cause shown.

The committee expects to report legislation to expand the eligibility criteria to include, as a presumptive condition, an additional medical condition—spastic colon—again where such condition is shown to exist to a compensable degree with no intercurrent cause shown. Service organizations representing former prisoners of war have testified to the effect that the lack of medical records established during captivity prevents approval of their claims for residuals of this disability.

The committee also expects to report legislation to reduce the incarceration period upon which a former prisoner of war's eligibility for dental treatment is based—from 6 months to 90 days.

The cost of these provisions will be less than $1 million.

The committee expects to report legislation to amend eligibility criteria applicable to surviving spouses of certain service-connected disabled veterans rated totally disabled at time of death for benefits which may be paid as if the veterans' deaths were service-connected. Current law provides that such benefits may be paid to a veteran's surviving spouse if he or she was married to the veteran for not less than 2 years immediately preceding the veteran's death. The committee's initiative would reduce the duration-of-marriage requirement to a period of 1 year, in conformity with the marriage requirement applicable to surviving spouses of veterans whose deaths are service-connected, for the purpose of determining such individuals' eligibility for dependency and indemnity compensation.

The cost of this provision will be less than $1 million.

Pensions.—Approximately 616,500 veterans and 618,500 survivors will receive monthly pensions totaling $3.8 billion in 1988. Pension payments are based upon financial need, and this estimate includes an indexed cost-of-living adjustment of 3.5 percent, effective December 1, 1987, at a cost of $92.3 million.

Life insurance.—The life insurance programs administered by the VA will provide coverage of $209.6 billion for approximately 7.4 million servicepersons and veterans in fiscal year 1988.

Burial benefits.—The burial benefits program provides for: (a) the payment of an allowance of $300 (plus transportation charges where death occurs under VA care) to reimburse in part, the burial and funeral expenses of an eligible deceased veteran; (b) the payment of an allowance of $150 for a plot allowance where an eligible veteran is not buried in a national cemetery or other cemetery under the jurisdiction of the United States; (c) the payment of a burial allowance up to $1,100 when a veteran dies as the result of service-connected disability; (d) a flag to drape the casket of each deceased veteran entitled thereto; (e) a headstone or marker for the grave of the veteran and in certain cases eligible dependents or; (f) provide an allowance towards the headstone purchase.

In 1986, 115,936 veterans' survivors received a burial allowance at a cost of $40.7 million; 295,489 veterans' survivors received a plot allowance totaling $41.9 million; burial allowances for 8,187 veterans who died of service-connected deaths totaled $7.8 million; 325,435 burial flags were issued at a total cost of $8.4 million; 247,232 markers were furnished at a total cost of $14 million; and 50,330 marker allowances were issued at a total cost of $3.3 million.

Legislation is proposed by the Administration to make the eligibility requirements for the burial plot allowance the same as those for the basic burial allowance; that is—limit eligibility to veterans with a service-connected disability, veterans in receipt of pension, and certain other limited categories of wartime veterans. It is estimated by the Administration that the savings from this proposal will be $31.3 million in 1988.

At the time the committee received the Administration's proposal in the fiscal year 1982 budget to change eligibility requirements for the basic $300 burial allowance, the Office of Management and Budget stated that it did not want to simultaneously change the eligibility requirements for the plot allowance. OMB wished to keep this benefit intact so that the death certificates accompanying applications for the plot allowance could be used by the Government for statistical and research purposes. The committee concurred with OMB, and is unaware of any change in this requirement.

In legislating the Grant-in-Aid program for States to establish veterans' state cemeteries, it was contemplated that the State would be sharing some of the Federal Government's burden in meeting the burial needs of veterans. This plot allowance has also served as an incentive to states to establish such cemeteries. The elimination of the plot allowance would be counterproductive to this goal as well as a breach of faith. The committee opposes this proposal.

The committee proposes to report legislation to increase the service-connected burial allowance from $1,100 to $1,500. This benefit has not been increased since 1973. The committee estimates that this increase would cost approximately $4 million.

EDUCATION, TRAINING, AND REHABILITATION

The New GI Bill.—The Administration's budget includes a recommendation to make the New GI Bill a permanent program. In addition, it is expected to recommend to the Congress that the current benefit level be reduced for certain veterans. It would also require the Deparment of Defense (DOD) to budget for all benefit costs associated with the New GI Bill. Under current law, this education program for the All Volunteer Force terminates for new entrants on July 1, 1988. The basic benefit is funded by the Veterans' Administration (VA) and DOD funds all costs associated with the recruitment incentive or "kicker" program and the program for the reserve components.

Since its implementation on July 1, 1985, the New GI Bill has proved to be a great success. Although the primary purpose of this program is to provide a readjustment education benefit to our young men and women following service in the All Volunteer Force, the program has also established itself as a significant recruitment and retention tool for the Armed Forces. Participation is high in all branches of service and recruit quality has improved significantly. Because of its success, the Administration's budget includes a proposal to make the New GI Bill a permanent program. The committee is pleased the Administration has recognized the importance of this new program. The chairman of the committee has introduced legislation to make the New GI Bill permanent which is cosponsored by all members of the committee.

As stated above, the primary purpose of the New GI Bill is to assist in the readjustment of members of the All Volunteer Force to civilian life after their separation from military service. It is, therefore, appropriate that the Veterans' Administration fund that portion of the program, the basic benefit, which is the readjustment benefit available to all those in the active forces who choose to participate in the New GI Bill. The precedent for this budget allocation is clear. The World War II GI Bill, the Korean Conflict GI Bill, and the Vietnam Era GI Bill have all been paid for by the Veterans' Administration. The committee, therefore, rejects the Administration proposal to shift total funding of this program to the Department of Defense.

Education Loan Program.—Included in the President's budget is a proposal to repeal the authority that permits the VA to make education loans, effective October 1, 1987. This is the fourth year the Administration has recommended terminating this program, citing an excessively high default rate.

The education loan fund is used to provide loans of up to $2,500 to persons training under chapter 34 or 35, U.S.C., but past their delimiting date with unused entitlement, and to veterans enrolled in flight training under chapter 34. Repayment is not required and interest is not charged until 9 months after the date the borrower ceases training. Loan amounts of more than $600 must be repaid

within a period of 10 years; smaller amounts must be repaid in a proportionately shorter time.

No appropriation by Congress is required for this program. The fund balance and anticipated collections will be sufficient to support the expected volume of new loans, and authority exists to supplement this fund as required from the readjustment benefits appropriation.

The committee rejects this proposal.

Veterans Job Training Act.—Public Law 98-77, the Emergency Veterans' Job Training Act of 1983, established a program of job training assistance to relieve unemployment among Korean Conflict and Vietnam Era veterans. This program, now known as the Veterans' Job Training Act (VJTA), was subsequently extended and improved by Public Laws 98-543, 99-108, and 99-238. Under current law, the program closes for new applicants on July 2, 1987 and all participants must be enrolled in an approved program of job training by January 1, 1988.

Over 50,000 long-term unemployed veterans have been put back to work under VJTA. A Congressionally-mandated study and evaluation of this program concluded that VJTA has produced statistically significant positive effects on the employment rates and earning levels of participating veterans in the short-run and in the long-run. The positive effects experienced by participants are shared by both the completers of the program and those who dropped out of VJTA.

The committee recommends that eligible veterans be given until September 30, 1989, to apply for this program and until March 30, 1990 to begin a program of training. Additionally, the committee recommends the authorization of $60 million in fiscal year 1988 and $60 million in fiscal year 1989 to be available until September 30, 1991.

The committee also wants to point out that a provision of Public Law 99-238, the Veterans' Compensation Rate Increase and Job Training Amendments of 1985, authorized an additional $65 million for VJTA for fiscal year 1986 to be available through fiscal year 1988. Of this amount, only $35 million was provided. Because of the effectiveness of VJTA, these funds have already been fully obligated and none remain to assist those veterans who are seeking employment and training assistance. The committee plans to authorize an additional $30 million for fiscal year 1987 and strongly urges the Appropriations committee to act quickly to provide this additional amount so that there will be no further interruption in the program.

VETERANS' HOUSING

The Loan Guaranty Program provides housing credit assistance to eligible veterans and service personnel through guarantees of loans made by private lenders and through direct loans to severely disabled veterans on more liberal terms than generally available to non-veterans, without the assumption of undue risks by the Government.

The loan guaranty revolving fund finances the operation of the Loan Guaranty Program, excluding administrative costs. The guar-

antee may be applied to buying, building or repairing a home, condominium or manufactured housing unit.

Assistance is provided chiefly through substituting the Government's guaranty on loans in lieu of the substantial downpayments, relatively short terms, and other investment safeguards applicable to conventional mortgage transactions. The program also assists certain totally disabled veterans in receiving specially adapted housing grants.

New direct loans are presently restricted to disabled veterans requiring specially adapted housing assistance. The maximum direct loan is $33,000. Prior loans will continue to be serviced with funds from the revolving loan fund. The VA estimates the number of direct loans in fiscal year 1988 to be at 6, at a cost of $191,000.

During 1986, 313,769 loans were guaranteed which was an increase of 75.4 percent over last year's activity. This was due to a sharp decline in interest rates. Rates on guaranteed home loans declined from 11.5 percent in November 1985 to 8.5 percent in January, 1987. Since interest rates are now at their lowest point in the last 10 years, the VA expects a continuation in the high levels of activity. The VA expects that it will guaranty 340,000 loans in fiscal year 1988.

The Administration's budget documents reflect that during fiscal year 1988, an appropriation of $389.8 million will be needed to fund program operations ($244 million) and the redemption of the participation certificates ($145.8 million) under the Federal Assets Financing Trust (FAFT), by August 12, 1988.

Defaults on GI loans are expected to decline from the high levels of the last few years. The projections for revenue from the vendee loans reflects a policy of selling all portfolio loans without repurchase agreements. This is part of the Administration's credit reform and loan asset sales proposals. The General Accounting Office, in a report issued in September, 1986, (AFMD-86-79) concluded that the sale of many loan assets without some form of purchase recourse does not permit the government to take full advantage of existing secondary credit markets and to maximize the proceeds of loan sales. The General Accounting Office further states in the same report that OMB's proposed budgetary treatment of loan asset sales will not accurately measure the actual subsidies to federal credit programs and will result in overstating the subsidies associated with credit programs. According to VA officials, this change in policy would result in an average loss of 30 percent of the face value of these loans.The committee concurs with GAO's conclusions and recommends that the Administrator delay implementation of this policy until all financial aspects have been thoroughly explored.

The Administration's budget also recommends repealing the Administrator's authority to set the maximum interest rate at which lenders can make guaranteed loans. Instead, the lender and the veteran would be authorized to negotiate "a reasonable interest rate".

Under current law, the Administrator has the authority to set the maximum interest rate which may be charged by a lender to a veteran homebuyer. Lenders are free to offer loans below this maximum rate. Yet loans below the maximum rate are rarely seen,

except in cases where the rate is being subsidized by a Government agency, or where a developer in a new housing project has purchased down the rate. There is little doubt that veterans will pay higher rates than they do now with an administered rate. This will erode veterans' purchasing power, meaning that fewer veterans will be able to afford housing. It will also cost those veterans who choose to participate in the program millions of additional dollars since negotiated rates at a higher level will translate each and every month into higher mortgage payments for veterans throughout the term of the loan.

The use of "negotiated" interest rates could increase VA claim costs and adversely affect the Loan Guaranty Revolving Fund. When a VA-guaranteed loan goes to foreclosure, the lender's claim is paid with interest based on the mortgage rate. Since it is expected that "negotiated" interest rates would be higher than current VA established maximum rates, the VA's claim costs would increase, resulting in increased outlays from the Loan Guaranty Revolving Fund. Because the Government assumes most of the risk on the guaranteed mortgage, it has an obligation to the taxpayer to moderate interest rates to the maximum extent possible to minimize its financial exposure. Accordingly, the committee rejects this proposal.

The Administration's budget also calls for a reduction in the percent of properties the VA sells with VA (vendee) financing. Current law requires the VA to sell at least 60 percent but no more than 75 percent of its acquired properties with vendee financing. By offering financing on properties which it holds for sale, the VA is able to dispose of many properties in a timely manner at the appraised value. The VA routinely discounts its asking price by 10 percent when a purchaser obtains non-VA financing. The Administration's budget proposes that the VA sell no more than 60 percent of its properties with vendee financing.

Although the Administration urges adoption of this proposal in an effort to cutback initial outlays, it would not allow the VA the opportunity to maximize its potential revenue on the sale of acquired properties. There is no evidence that the current policy, which allows the VA to finance between 60 and 75 percent of properties, is unreasonable. Therefore, the committee rejects this proposal.

The fiscal year 1988 budget also proposes an increase in the VA's loan origination fees on guaranteed and vendee (direct) loans from 1 to 2.5 percent effective June 1, 1987. The increased revenue is expected to reduce outlays in 1987 by $91 million and in 1988 by $389.8 million.

The fiscal year 1986 and fiscal year 1987 budgets contained similar proposals to increase the fee. These were consistently rejected by the Congress on the basis that this would be a form of selective taxation on homebuying veterans. The implementation of a 2.5 percent fee would result in veterans being charged an average amount of $1500—up from $600—for the privilege of using the program. At hearings before the committee on February 3 and 4, 1987, spokesmen from veterans organizations stated this proposal would negate the beneficial aspects of the program. In essence, this proposal can also be considered as a down payment requirement without giving

the veteran the benefit of reducing the principal. When the Congress enacted the 1 percent origination fee, it bore a responsible relationship to the administrative costs of servicing loans. Public Law 99-576 which became effective on November 2, 1986, specifically expresses the sense of the Congress that this fee not exceed 1 percent. This 1 percent fee is scheduled to expire on September 30, 1987, and the committee anticipates reporting legislation to extend it for 3 years. In addition, it is also anticipated that the loan guaranty will be increased from $27,500 to $30,000. The guaranty was last increased in 1980. Housing costs have risen 40 percent since that time.

GENERAL OPERATING EXPENSES

a. General.—The General Operating Expenses (GOE) account primarily supports payroll expenses of personnel responsible for administering non-medical benefits to the veteran population. These benefits include the administration of VA compensation, pension, education, GI loan, and insurance programs, the Board of Veterans' Appeals, Inspector General, other non-medical elements of Central Office, as well as maintenance of the national cemetery system. The budget request is $816.1 million in budget authority for fiscal year 1988, which is $46.9 million higher than 1987. A large portion of this amount, $24 million, is attributable to the anticipated increased cost for the new retirement system (FERS).

The GOE appropriation request is 457 FTEE lower than fiscal year 1987. This reduction can be broken down as follows:

Department of Veterans Benefits	—296
Department of Memorial Affairs	—2
General Administration	—159

b. Department of Veterans Benefits.—Based largely on a forecast of a significant decrease in education workload, the budget for DVB anticipates a decrease of 296 FTEE in fiscal year 1988 from 1987. This includes decreases of 210 FTEE in Compensation, Pension, and Education Services, 95 in Veterans Services, 45 in Support Services, and 16 in Vocational Rehabilitation and Counseling Services. On the other hand, Executive Direction, Loan Guaranty, Insurance, and ADP Systems Management will receive token increases of 4, 12, 30, and 24 FTEE respectively.

The budget estimate forecasts no changes in C&P original claims and a significant increase—from 129,000 to 145,000—in original education claims.

In view of the current workload situations in virtually all Adjudication Divisions, it is difficult to justify a reduction of 210 FTEE when initial claims will increase and supplemental claims will only decrease minimally.

With respect to projected decreases in the Vocational Rehabilitation and Counseling program, the committee notes that estimated data for fiscal year 1986 showed 23,700 disabled veterans would receive rehabilitation services in fiscal year 1986. Actual year end data showed that 25,776 veterans actually received services in fiscal year 1986. This increase of 8.75 percent over the estimate is expected to increase the fiscal year 1987 and fiscal year 1988 estimates by the same percentage. The Vocational Rehabilitation Spe-

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cialist (VRS) workload has gone from 142 per VRS in fiscal year 1984 to 177 per VRS in fiscal year 1986. A VRS can provide minimal services at a level of about 150 veterans on a caseload. Reasonable quality services can be provided at a caseload level of about 120.

Specific backlogs are shown in critical program areas. The average time from the point a veteran's application is received in the VA until that person shows for the initial appointment is now 84 days. This is an increase of 10 days from this point in fiscal year 1985. Eighteen stations exceed the average, with a maximum time of 197 days.

A second critical area is the time a veteran is in Emploment Services status. This status is measured from the point the veteran completes a rehabilitation program to the point where that person has been able to maintain suitable employment for 90 days. The average time a veteran remains in this status has increased from 155 days in fiscal year 1984 to 232 in fiscal year 1986.

The Loan Guaranty portion of the GOE account is increased in the fiscal year 1988 budget by 12 FTEE. As stated previously, during fiscal year 1986 loan guaranty activity increased by 75.4 percent. In an effort to keep pace with demand, the Department of Veterans Benefits applied a number of measures to meet the critical workload problem. Employees were detailed from other programs and additional funds were made available for overtime. The budget indicates that in November 1986, only 57 percent of appraisals were meeting timeliness standards. Property acquisitions increased by 2,175 in fiscal year 1986, an increase of 9.3 percent over fiscal year 1985. Foreclosures (claims processed) increased by 4,345 in fiscal year 1986, an increase of 14.4 percent. It should be noted that property sales declined by 2.1 percent. Additional FTEE for property management would enable VA to sell more properties and reduce holding costs. Additional property sales also improve the cash position of the revolving fund.

The Administration requests an increase in the Insurance Service of 30 FTEE, primarily due to the scheduled implementation of the consolidation of the St. Paul Insurance Center with the Philadelphia Insurance Center beginning in fiscal year 1988. The consolidation is scheduled to begin on October 1, 1987, on a phased basis, and will take 18 months to complete. There will be a one-time cost of $1.2 million in 1988 and savings of $575,000 in 1989. It is anticipated that the consolidation will result in annual recurring savings of $1.7 million, beginning in 1990.

c. Department of Memorial Affairs.—A total of 144 cemeterial installations and activities are now included in the National Cemetery System, located in 42 states, the District of Columbia and Puerto Rico. The existing 144 cemeterial activities total 9,868 acres. Since the establishment of the National Cemetery System in the Veterans Administration in 1973, approximately 554,000 decedents have been interred in national cemeteries. During the same period, approximately 3.5 million headstones and markers have been furnished to mark graves.

In 1986, a total of 52,220 remains of veterans, active duty personnel and dependents were interred in national cemeteries. The 1988

interment projection is 56,000, an increase of 1,500 over the 1987 estimate of 54,500. Two hundred fifty-seven thousand headstone applications are expected in fiscal year 1987 and 272,000 in fiscal year 1988.

For 1988, the Department of Memorial Affairs employment budget totals 1,187 average employment. The fiscal year 1988 funding represents a net increase of $3 million over fiscal year 1987 for personal service needs. The Department is experiencing a steadily increasing workload in interments which are projected to increase 1,500 over the 1987 estimate of 54,500. Over half of the increase is associated with the opening of the new Florida cemetery. Additionally, the number of graves maintained in 1988 is expected to be 1,729,500—a 45,500 increase over the 1987 level.

In light of the overall increase in current backlogs and the projected increase in fiscal year 1988 workloads, the committee recommends an increase of $10 million over the amount proposed by the Administration for the GOE account. Funds for an additional 20 FTEE for the Department of Memorial Affairs are included in this increase, with the balance of 310 FTEE recommended for DVB to meet anticipated workload.

Department of Medicine and Surgery

In order to maintain the high quality of care delivered in its comprehensive medical care delivery system, the Department of Medicine and Surgery must furnish a new mix of services in response to an aging veteran population, a changing demographic distribution of veterans, new medical technology, and shifts in the practice of medicine toward outpatient treatments, all within the constraints of an aging capital plant. At the same time, the Department of Medicine and Surgery must continue to meet the demand from all eligible veterans including those with routine medical care needs, as well as those with special needs such as AIDS.

Medical Care for Category C Veterans.—In the context of these factors, the committee views with strong disfavor two major features of the Administration's proposed fiscal year 1988 VA medical care budget both of which are predicated on the elimination of funding for the cost of care provided to veterans eligible under Category C. First, there is a proposed rescission of $75 million in fiscal year 1987 funds. Second, there is a proposed decrease in fiscal year 1988 funds of $92.186 million. This results in a decrease of 1,400 medical FTEE in fiscal year 1987 and 2,350 medical FTEE in fiscal year 1988.

In Public Law 99–272, the Congress explicitly created eligibility for health care within the resources of the VA for those veterans whose incomes are greater than $20,000 for a single veteran and $25,000 for a veteran with one dependent; there is a copayment applicable to these veterans. The proposed elimination of the funds projected to be necessary to provide Category C care is inconsistent with Congressional intent and creates an inefficient medical care system by preventing the use of beds which become available due to normal fluctuations in demand.

The committee strongly recommends the rejection of the proposed rescission for fiscal year 1987 and the restoration of the pro-

posed decrease of $92.186 million and 2,350 FTEE for fiscal year 1988.

Other recommendations of the committee for the fiscal year 1988 budget can be grouped into 8 parts: Medical Care Program Management, Medical Care Personnel, Extended Care, Domiciliary Care, Outpatient Care, Medical Construction, Medical Information Systems, and Medical and Prosthetics Research. In general, the committee recommends a current services budget with certain increases for priority programs.

Medical Care Program Management.—In addition to the proposals concerning Category C veterans, the Administration's proposed budget for fiscal year 1988 also includes a repetition of the "one percent productivity increase" which accounts for a decrease of $58.297 million and 1,911 FTEE in fiscal year 1988. In testimony before the committee, medical officials of the Department of Medicine and Surgery have testified that such productivity increases are not a result of rational, planned improvements in efficiency. Instead, the decreases are taken from budget allocations to the medical centers, thus reducing the amount of care that can be delivered to eligible veterans. Indeed, a look at the budget history of the VA shows the dramatic results in increased productivity already achieved by the Department of Medicine and Surgery. During the last 10 years, the VA budget has remained at a straight line while the number of inpatients treated has grown by 24 percent and the number of outpatient visits has grown by 62 percent.

The committee recommends the restoration of the $58.3 million and 1,911 FTEE proposed by the Administration for "productivity increases" in fiscal year 1988. The committee notes the increased productivity already obtained by the VA and believes that further productivity improvements should not be arbitrarily anticipated, but should reflect actual, specific initiatives demonstrated to result in real productivity increases.

The Administration's proposed budget does not reflect the large and growing costs associated with the treatment and care of veterans with AIDS. Currently, the VA is treating approximately 1,000 of such patients at an average annual cost of $40,000 per patient. However, predicting the future caseload is difficult due to the rate of increase of new cases and the rate of mortality. Due to the wide range of diseases in which AIDS manifests itself (and their respective diagnostic related group codes), the funding allocated to the medical centers for AIDS by means of the VA's resource allocation model varies in ways that are unrelated to the real cost of providing care to these patients. In addition, under current VA practice, VA medical centers with fewer than 10 AIDS patients must absorb the costs. Despite claims made in the VA's budget documents, there are no new dollars in the Administration's request for treatment of veterans with AIDS.

The committee, therefore, recommends the addition of $30 million for the treatment of patients with AIDS. The committee further recommends that the VA devise a method or methods to ensure that these funds are directed to geographically diverse medical centers on the basis of the real distribution of AIDS patients.

Medical Care Personnel.—The Administration's budget proposes an increase of $54 million and 1 FTEE for the program of education and training for pre-and post-graduate students in health professions and occupations. The proposed budget also includes $6 million to reactivate the Health Professional Scholarship Program.

The need for continuing education at a time when there are rapid advances in medical technology and therapeutics is critical. Many health care professional bodies which issue credentials for their members have recognized this situation by establishing mandated continuing education. Along with the need for VA health professionals to maintain current knowledge is the need for the VA to augment its staff in various specialties. Staff experienced in Intensive Care Nursing, for example, are in very short supply.

In addition, the committee is concerned that the problems of recruitment and retention of qualified health-care personnel has become very serious. The ability of the VA to remain truly "competitive" with non-governmental sectors of the health community cannot completely depend on direct compensation. Instead, a combination of pay with other benefits, such as education and training may make the VA the choice for many health care personnel. The committee notes the previous success of the Nurse Scholarship Program in which 1,241 nurses participated. Of these, 720 are now fulfilling inservice obligations. Of scholarship nurses who have completed their education and inservice obligations, 109 of 120 are still working in VA facilities.

The committee supports the Administration's proposed increases for education and training programs and recommends an increase of $11 million for the continuing education program, and an increase of $9 million and 200 FTEE for traineeships in scarce medical specialties.

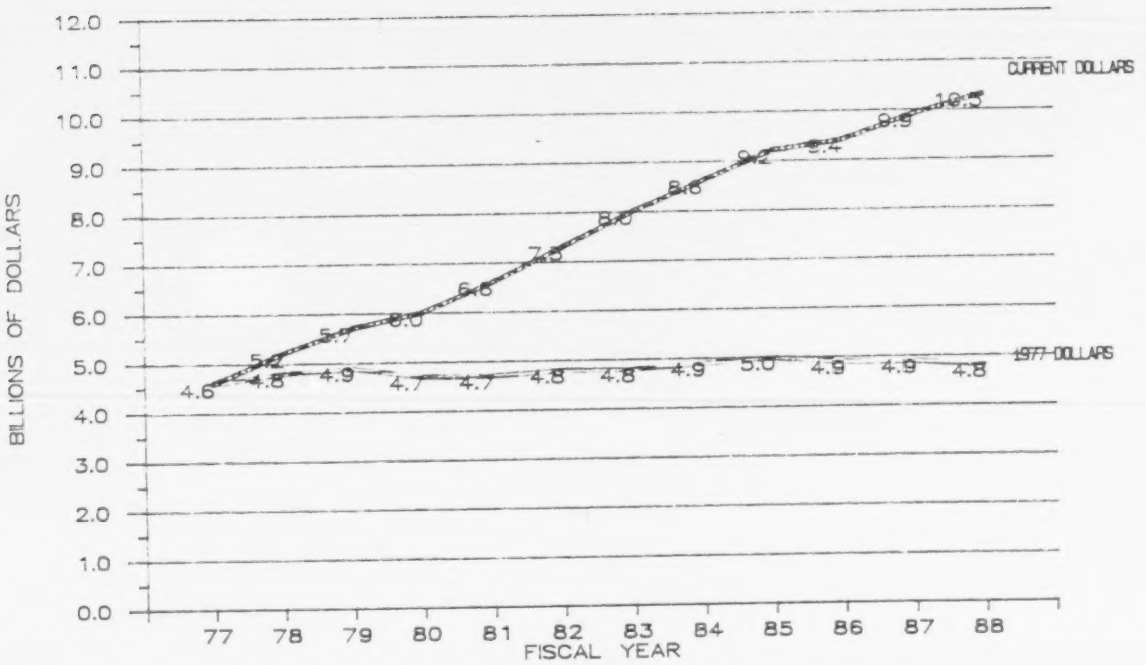
Extended Care.—The projected increase in the elderly population of the United States is being experienced earlier in the veteran population than in the general population. The number of veterans over the age of 65 was 4.6 million in 1985 and is predicted to increase to 7.2 million by 1991 and to peak at 8.9 million veterans in 1999. Sixty percent of all males over the age of 65 will be veterans in 1991. In 1999, 3.8 million of the projected 8.9 million veterans will be over the age of 75 and in 2031 3.7 million veterans will be over the age of 75, forming a much larger proportion of the veteran population than that age group does today.

It is therefore almost trite to observe that the VA's capacity to deliver long term care services must increase in terms of nursing home beds, domiciliary beds, and State veterans home beds. The Administration's proposed budget makes only token acknowledgment of this fact. It proposes converting 282 hospital beds to nursing home beds (increases of $20.5 million and 576 FTEE), a realignment from VA hospital operations to nursing home care (increases of $11.9 million and 335 FTEE), and estimated activations of new nursing home beds (increases of $26.8 million and 613 FTEE). The Administration's proposed budget also includes an increase of $7.3 million for community nursing home care and $4.6 million for the State Veterans Home Program per diem payments. The Administration's budget proposes a decrease of $175,000 and 4 FTEE for the VA's domiciliary program due to workload changes. While the budget anticipates increases of approximately 7 percent for the costs of providing nursing home care in VA and community operated facilities, no increase is recommended for State nursing home care beds. These proposed changes yield an increased capacity for only 741 additional census in nursing homes and 745 census in State homes for fiscal year 1988. However, this increase, as noted in the budget documents, " . . . is offset by the reduction in workload . . . " in other areas.

An important change in the VA's policy relative to long term care is seen in the stated goal that 30 percent of the need for long term care beds should be met by VA-owned and operated beds, 30 percent of the need should be met by State veterans home beds and 40 percent should be met by community beds. The estimated proportions among these three categories for fiscal year 1988 are: 35 percent in VA-owned and operated units; 28 percent in State homes; and 37 percent in community facilities. Overshadowing these statistics are the long waiting lists and the numbers of veterans needing long term care who today are turned away.

The committee supports the additions proposed in the Administration's budget for extended care programs, including the increases proposed for hospital-based home care and other extended care workload-related changes which will increase the non-institutional, long-term care capacity of the VA.

ALL MEDICAL PROGRAMS BUDGET AUTHORITY,
CURRENT VS. DEFLATED (1977) DOLLARS



NOTE: Current dollars are deflated using a constructed "VA MEDICAL COST INDEX", which is a weighted sum of the MCPI and a derived VA MEDICAL PAY INDEX. The COST INDEXES for 1986-88 are based on a linear projection of the INDEXES for 1977-85.

However, the committee believes that the magnitude of those changes is clearly insufficient to meet the anticipated need for extended care, even assuming that the utilization rate of VA medical care does not increase. In that regard, the committee recommends two actions.

(a) The committee urges the VA to end its policy of a static number of VA-owned and -operated nursing home care beds and the policy of increased reliance on private community nursing home beds. The policies are unrealistic due to the current shortage of nursing home beds for the non-VA population.

Specifically, the committee recommends the following: restore the 240 bed nursing home care unit to the planned VA medical center in Palm Beach, Florida which was eliminated in the Administration's proposed budget; and add 120 bed nursing home care units at the VA Medical Centers in Mountain Home, Tennessee and Tampa, Florida, and a 60 bed unit at VA Medical Center in Wilkes-Barre, Pennsylvania. The cost of these nursing home care beds is $6.0 million for the Tampa site, $6.5 million for the Tennessee site, and $4.1 million for Wilkes-Barre.

(b) Similarly, the committee sees the planned dependence on a major growth in State Veterans homes as unrealistic—despite the committee's strong support for the program—as the program depends on States' ability and willingness to participate through appropriations of State funds for construction and for daily operation of the homes. Last year, the Congress, in Public Law 99-576, reinforced the State Veterans Home Program by establishing a priority system to govern the order in which State home grants may be awarded. This priority system emphasizes nursing home care beds, provides an incentive for States to increase the number of State home beds, and encourages States which have no State home beds to apply for grants.

The committee specifically recommends increasing the per diem payments made by the VA to State nursing homes for their daily operating costs. The cost of this increase is projected for fiscal year 1988 to total approximately $14 million. This increase in the per diem rates is to $8.70 for State home domiciliary beds, $20.35 for State home nursing home beds, and $20.35 for State home hospital beds. This increase is the first since 1984 and would bring the VA portion of the cost of operating State home nursing home beds to 25 percent, the proportion existing at the time of the last two increases in 1979 and 1984.

Domiciliary Care for Homeless Veterans.—There has been a notable increase in reports that the number of homeless veterans has substantially increased, especially in urban areas. At the same time, there has been an emphasis on reducing or eliminating long-term patients at VA medical centers. The committee notes, for example, that over the past 20 years there has been a marked decline in the number of beds available in VA hospitals for psychiatric care and many veterans have been discharged into so-called "less restrictive" environments. In addition to the reduction in the number of beds for psychiatric care, the VA has closed approximately 6,000 domiciliary beds where veterans with a wide variety of mental and physical disabilities resided. The committee believes

that one way of addressing the needs of homeless veterans would be a reversal of the VA's policy of shrinking the number of VA domiciliary beds. Since 1983, the primary mission of VA domiciliary facilities has been one of aiding rehabilitation. As part of the mission, domiciliary patients have regular access to the range of medical and other benefit programs furnished by the VA. While the cost of providing such care is not insignificant, it is comparable to rehabilitative care provided in other settings. The committee recommends that $15 million be added to the administration's budget request for the purpose of expanding the VA's capacity to provide domiciliary care in urban locations.

Because of the urgency of the problems confronting homeless veterans, the committee offers the following guidance on methods to achieve the necessarily rapid expansion of the VA's domicialiary capacity. The committee finds that in many urban areas, the VA has physical facilities at medical centers which could be used for domiciliary facilities. The committee has inspected functioning domiciliary space which consists of nothing more than a large hall subdivided by partitions and lockers. Therefore, the committee recommends that the VA plan to open approximately 600 new domiciliary beds in no less than 10 urban locations by using $7.5 million of the $15 million recommended in this report for emergency, nonrecurring maintenance projects at such facilities. The committee expects a decentralized effort by local facility management to identify suitable facilities in areas where the need is greatest in order to accomplish this urgently needed conversion and renovation project. The balance of the $15 million augmentation which is not needed for renovation should be applied solely to hire new staff to support the expanded domiciliary mission.

The committee anticipates that when fully functioning, these additional domiciliary beds will provide increased services to homeless veterans. However, this is obviously only a modest contribution to the plight of the thousands of homeless veterans. Therefore, in order to maximize the effect of this increase the committee emphasizes the need to integrate services provided to a domiciliary resident with the many other services available through programs for veterans established by the Congress. These especially include vocational and benefit counseling provided by the Department of Veterans' Benefits. In other parts of this report, the committee recommends funds for the Veterans Job Traning Act and for the restoration of planned cuts in staffing for DVB. Both actions are motivated in part by the committee's serious concern for homeless veterans.

Outpatient Care.—The steady rise in demand for VA outpatient care has resulted from changes in the practice of medicine and the increasing aging veteran population. The locus for many medical procedures is now in an outpatient setting. This is cost-effective due to the avoidance of expensive inpatient fixed costs. It also allows less expensive services to be delivered far from the medical center through satellite outpatient clinics and mobile outpatient teams, a clear advantage to rural or geographically isolated veterans. In addition, the delivery of outpatient services may reduce the number of hospital admissions and the duration of inpatient epi-

sodes through the maintenance of stable chronic conditions. The 62 percent increase in the number of outpatient visits over the last 10 years and the turning away of over 35,000 veterans each month and excessively long waiting lists for many types of outpatient care is clear evidence of the need for increased outpatient capacity. Four major veterans organizations, (AMVETS, DAV, PVA, and the VFW) in their cooperative alternative budget, project an increase of at least 400,000 outpatient visits for fiscal year 1988, an increase of approximately 2 percent over fiscal year 1987.

The committee has two recommendations to reinforce the VA's outpatient capacity:

First, the committee recommends that outpatient clinics be established in Ocean County in southern New Jersey; in Lufkin, Texas; and in Lawton, Oklahoma.

Second, the committee recommends that veterans eligible for mandatory hospital care under Category A as defined by Public Law 99-272 also receive mandatory eligibility for outpatient care.

Beneficiary Travel.—The VA has proposed a change in its regulations on beneficiary travel to drastically curtail eligibility for payment of veterans' travel expenses in connection with receiving VA medical care. The proposed regulation would allow payment only for special-mode transportation and intra-facility transfers. Previously eligible veterans, who must often travel long distances from rural areas to reach the nearest VA medical facility, would no longer receive such payments, even though they may be seriously disabled and have service-connected disabilities. The committee is concerned that many veterans entitled to receive VA medical care under Public Law 99-272 will be unable to avail themselves of it, because they will not be able to afford the expense of transportation. Noting that the proposed fiscal year 1988 budget contains no specific funding for beneficiary travel, the committee recommends to the Budget and Appropriations Committees that they assure a sufficient level of funding for beneficiary travel, especially for rural veterans, seriously disabled veterans and service-connected veterans.

Medical Facility Construction.—The committee recommends the addition of $15 million to the budget for the clinical addition, renovation of building 2 and the Spinal Cord Injury Center at the Dallas VAMC. This project has been programmed for several years, but continues to slip due to the fiscal constraints imposed by the Office of Management and Budget. The VAMC buildings in Dallas were constructed in 1939 and 1950 and are 500,000 square feet short of VA's space criteria. Demand for care has considerably outstripped capacity so that surgeries, for example, have had to be cancelled due to insufficient intensive care beds.

Medical Information Systems.—At a recent hearing, the committee learned that the current resource allocation model (RAM) system is not effective and efficient in providing useful data to ensure proper disbursement of medical center operating funds. At the present time the VA is developing and testing medical management ADP programs that will not only provide accurate real time data for use in resource allocation efforts, but will also provide a

quality assurance system to monitor the quality of health-care delivered in the medical centers. It is the committee's opinion that priority action should be taken to merge the programs being developed at VAMC Hines, Illinois and Long Beach, California into a composite system taking advantage of certain outstanding qualities of each of these programs. The committee recommends $30 million and 340 FTEE to integrate these programs and expedite the deployment of this new system to all 172 VAMCs.

Medical and Prosthetics Research.—The Administration's proposed budget calls for a decrease of 225 FTEE below the fiscal year 1987 level for Medical and Prosthetics research. In addition, the funds requested for research represent a decrease of $6 million below the fiscal year 1987 level when the transfer of $20 million from the Department of Defense for a VA/DOD cooperative research program mandated in Public Law 99-661 is considered.

In general, the committee views FTEE constraints in the area of research to be different from FTEE for other medical care functions. Research projects are managed and partly staffed by career employees of the VA. However, during the conduct of specific research projects, other personnel are hired for time-limited and specific tasks prescribed by the design of the project. When the project is completed, the need for these particularly skilled persons ends. The usual practice is to employ for these tasks temporary or part-time (other than career category) persons whose salaries are paid from funds appropriated and allocated for research purposes. Thus, the committee believes that to include under broad FTEE ceilings the technically skilled persons whose tasks are unique to and time-limited by a specific research project is unnecessarily constraining.

The committee believes that the research program is an integral part of the VA's health-care delivery system. It has led to significant treatment advances for health problems both of veterans and nonveterans and it provides a strong incentive to bring to the VA highly motivated and skilled physicians and other health care professionals who would otherwise be difficult to attract. Within the research program is rehabilitation research which is directed at the needs of functionally imparied veterans, many of whom have service-connected disabilities. The committee believes that the application of engineering and computer technologies and other disciplines to the development of new devices and techniques to overcome impairments is unlikely to be carried out elsewhere. Also within the research program is health services research, directed at the effectiveness, efficiency and organization of VA health care, a critical area at a time when budgets are tight

The committee recommends that the $20 million DOD transfer be obligated during fiscal year 1987 as was intended when the Congress authorized this funding in Public Law 99-661.

In addition, the committee recommends that $3 million be added for rehabilitation research and $2 million for health services research. The committee also recommends the addition of $5 million and 125 FTEE for research related to AIDS.

In summary, the committee has determined that the following changes to the Administration's proposed budget for veterans health care should be made:

Summary of Changes Recommended by Committee for VA Medical Programs

[In millions of dollars]

	FTEE	Budget Authority
Administration's proposed staffing	191,730	$9,968
Resources to maintain current services level	4,400	289
Subtotal	196,130	10,257
Medical enhancements:		
AIDS treatment		30
ADP support	340	25
Expand domiciliaries for homeless veterans	190	15
Increase continuing education		11
Increase State home per diem rates		14
Revise domiciliary and outpatient eligibility		7
Subtotal	530	102
Total medical care	196,660	10,359
Research and Administration enhancements:		
AIDS research	125	5
Rehabilitation and health services research		5
Traineeship in scarce medical specialities	200	9
Subtotal	325	19
Construction enhancements:		
Nursing home care units at:		
Tampa, Florida		6
Mountain Home, Tennessee		6.5
Wilkes Barre, Pennsylvania		4.1
Design funds for:		
Nursing home care unit at Palm Beach, FL		1.5
Clinical addition project, Dallas, TX		14.3
Subtotal		32.4
Total additions to Administration's proposed budget for VA medical programs	5,255	442.4

Function 700 Veterans' Benefits and Services—Budget Authority

[In millions of dollars]

Function and Program	Adjusted 1987 [a](a)	President's recommendation [a](b)	CBO Baseline (c)	Committee recommendation (d)	Committee recommendation +/− CBO(e) (d) − (c)	Committee recommendation +/− Pres.(f) (d) − (b)
Subfunction 701, Income Security						
Compensation	10,489	10,291	10,291	10,291		
Proposed legislation (COLA)		352	352	352		
Legislation recommended by committee				1	1	1
Pension	3,827	3,767	3,767	3,767		
Burial benefits and miscellaneous assistance	128	135	135	135		
Proposed legislation		−20				−20
Legislation recommended by committee				4	4	4
Insurance	1,389	1,405	1,405	1,405		
Insurance receipts	−405	−404	−404	−404		
Subtotal 701	15,428	15,526	15,546	15,550	4	−24
Subfunction 702, Education, Training, and Rehabilitation						
Readjustment benefits	741	626	626	625		
Proposed legislation		−18				18
GI Bill receipts	−206	−190	−190	−190		
Proposed legislation		190				−190
Veterans job training						
Legislation recommended by Committee				60	60	60
Post-Vietnam era VEA	241	202	202	202		
PVEVEA receipts	−241	−202	−202	−202		
Subtotal 702	535	608	436	496	60	−112
Subfunction 703, Hospital and Medical Care						
Medical care	9,554	9,967	10,212	10,338	126	371
Legislation recommended by committee				21	21	21
Medical and prosthetic research	213	199	226	209	−17	10
Medical administration and miscellaneous operating expenses (MAMOED42	50	50	59	9	9	

Function 700 Veterans' Benefits and Services—Budget Authority—Continued

[In millions of dollars]

Function and Program	Adjusted 1987 [2](a)	President's recommendation [3](b)	CBO Baseline (c)	Committee recommendation (d)	Committee recommendation +/− CBO (e) (d) − (c)	Committee recommendation +/− Pres. (f) (d) − (b)
Construction, major	383	401	397	433	36	32
Construction, minor	80	121	85	85		−36
Parking garage revolving fund	26	4	4	4		
Grants for State facilities	42	42	44	44		2
Grants to the Philippines	1	1	1	1		
Reimbursement for medical care	−65	−220	−220	−220		
Subtotal 703	10,276	10,565	10,799	10,974	175	409
Subtotal 704, Veterans' housing		190	190	190		
Loan guaranty revolving fund		−190				190
Proposed legislation						
Subtotal 704	0	0	190	190		190
Subfunction 705, Other veterans benefits and services	769	816	820	826	6	10
General operating expenses			3	3		3
Grants for State cemeteries	15	15	15	15		
General post fund	13	13	13	13		
American Battle Monuments Committee						
Subtotal 705	797	844	851	857	6	13
Subtotal Function 700	27,036	27,543	27,822	28,067	245	524
Offsetting receipts	−945	−986	−986	−986		
Total	26,091	26,557	26,836	27,081	245	524
Other Function 700 accounts	61	41	66	66		25

Total Function 700	26,152	26,598	26,902	27,147	245	549

[1] Less than $1 million.
[2] 1987 figure includes proposed supplementals and rescissions.
[3] Restimated by CBO.

Function 700 Veterans' Benefits and Services—Outlays

[In millions of dollars]

Function and Program	Adjusted 1987 [2](a)	President's recommendation [3](b)	CBO Baseline (c)	Committee recommendation (d)	Committee recommendation +/− CBO (e) (d) − (c)	Committee recommendation +/− Pres. (f) (d) − (b)
Subfunction 701, Income Security:						
Compensation	10,494	10,316	10,316	10,316		
Proposed legislation (COLAD	317	317	317			
Legislation recommended by committee				[1]	[1]	[1]
Pension	3,831	3,768	3,768	3,768		
Burial benefits and miscellaneous assistance	136	135	135	135		
Proposed legislation		−20				20
Legislation recommended by committee				4	4	4
Insurance	1,018	1,063	1,063	1,063		
Insurance receipts	−405	−404	−404	−404		
Reinstated entitlement program	5					
Subtotal 701	15,079	15,175	15,195	15,199	4	24
Subfunction 702, Education, Training, and Rehabilitation:						
Readjustment benefits	756	646	646	636		
Proposed legislation		−18				18
GI Bill receipts	−206	−190	−190	−190		
Proposed legislation		190				−190
Veterans job training	42	5	5	5		
Legislation recommended by committee				50	50	50
Education loan fund	−6	−6	−6	−6		
Proposed legislation		[1]				
Vocational rehabilitation fund	[1]	[1]	[1]	[1]		
Post-Vietnam era VEA	234	220	220	220		

Function 700 Veterans' Benefits and Services—Outlays—Continued

[In millions of dollars]

Function and Program	Adjusted 1987 [2](a)	President's recommendation [2](b)	CBO Baseline (c)	Committee recommendation (d)	Committee recommendation +/− CBO (e) (d) − (c)	Committee recommendation +/− Pres. (f) (d) − (b)
PVEVEA receipts	−241	−202	−202	−202		
Subtotal 702	579	645	473	523	50	−122
Subfunction 703, Hospital and Medical Care:						
Medical care	9,426	9,761	9,970	10,077	107	316
Legislation recommended by committee				18	18	18
Medical and prosthetic research	213	201	223	206	−17	5
Medical administration and miscellaneous operating expenses (MAMOED43	48	48	53	5	5	
Construction, major	452	413	413	429	16	16
Construction, minor	155	122	122	122		
Parking garage revolving fund	1	6	6	6		
Grants for State facilities	30	33	33	33		
Grants to the Philippines	1	1	1	1		
Assistance for health manpower	[1]					
Rehabilitation activities fund	[1]	[1]	[1]	[1]		
Third party reimbursements	−65	−220	−220	−220		
Subtotal 703	10,257	10,365	10,596	10,725	129	360
Subfunction 704, veterans' housing:						
Loan guaranty revolving fund	278	267	267	267		
Proposed legislation	−91	−411				411
Direct loan revolving fund	−37	−25	−25	−25		
Subtotal 704	150	−169	242	242		411
Subfunction 705, Other veterans benefits and services:						
General operating expenses	755	812	815	821	6	9
Grants for State cemeteries	2	3	3	3		

Summary of Proposed Legislative Changes
Presidential proposals, as reestimated by CBO

[In millions of dollars]

Legislative proposal	Estimate		
	1988	1989	1990
701—Compensation:			
COLA 3.5 percent:			
Budget authority	$352	$793	$1,250
Outlays	317	756	1,212
Burial benefit eligibility change:			
Budget authority	—20	—27	—27
Outlays	—20	—27	—27
702—Readjustment benefits:			
Transfer New GI Bill:			
Budget authority	—18	—61	—142
Outlays	—18	—61	—142
Change in offsetting receipts associated with transfer:			
Budget authority	190	187	185
Outlays	190	187	185
Repeal authority to make education loans:			
Budget authority			
Outlays	[1]	[1]	[1]
703—Revise loan guaranty fee:			
Budget authority	—190	—113	
Outlays	—411	—315	—282
Total:			
Budget authority	314	779	1,266
Outlays	58	540	946

[1]Less than $1 million

Committee Legislative Recommendations

[In millions of dollars]

Legislative proposal	Estimate		
	1988	1989	1990
701—Compensation:			
COLA 3.5 percent (New Entitlement Authority):			
Budget authority	$352	$793	$1,250
Outlays	317	756	1,212
POW compensation (New Entitlement Authority):			
Budget authority	[1]	[1]	[1]
Outlays	[1]	[1]	[1]
Survivors compensation (New Entitlement Authority):			
Budget authority	[1]	[1]	[1]
Outlays	[1]	[1]	[1]
Burial benefits—increase s/c burial allowance (New Entitlement Authority):			
Budget authority	4	4	4
Outlays	4	4	4
702—Authorize Veterans Job Training Act:			
Budget authority	60	60	
Outlays	50	51	23
703—Health care:			
Adjust per diem rates for veterans receiving care in a State home (New Entitlement Authority):			
Budget authority	14	14	14

Committee Legislative Recommendations—Continued

[In millions of dollars]

Legislative proposal	Estimate		
	1988	1989	1990
Outlays	14	14	14
Revise eligibility for domiciliary and outpatient care:			
Budget authority	7	7	7
Outlays	7	7	7
Total:			
Budget authority	438	879	1,276
Outlays	393	833	1,261

[1]Less than $1 million

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III. VETERANS' BENEFITS AND SERVICES AS A PART OF THE TOTAL FEDERAL BUDGET

The following table indicates total Federal outlays, veterans' benefits and services outlays (function 700) and the percentage for benefits and services for fiscal years 1977 through 1988.

TABLE 1. Total Federal Outlays and Veterans' Benefits and Services Outlays Fiscal Years 1977-1988 (in millions of dollars)

Fiscal Year	Total Federal Outlays	Veterans' Benefits and Services	Veterans as Percent of Outlays
1977	409,203	18,038	4.4
1978	458,729	18,978	4.1
1979	503,464	19,931	4.0
1980	590,920	21,185	3.6
1981	678,209	22,991	3.4
1982	745,706	23,958	3.2
1983	808,327	24,846	3.1
1984	851,781	25,614	3.0
1985	946,316	26,292	2.8
1986	989,815	26,356	2.7
1987 (est.)	1,015,527	26,679	2.6
1988 (est.)	1,024,328	27,160	2.7

The above table indicates that in 1977 the percentage of total Federal outlays spent on veterans' benefits and services was 4.4 percent. Since that time, there has been a general decrease with an estimate for fiscal year 1988 of 2.7 percent.

Source: Office of Management and Budget. Historical Tables. Budget of the United States Government. Fiscal Year 1988. Table 3.1.

From 1950 to the present, the veteran population has increased by approximately 18.5 million to nearly 28.0 million. Two major GI bill programs educated millions of veterans. Twenty-two major veterans' health care measures were approved by the Congress, and 29 hospitals were added to the VA hospital system. Federal outlays for veterans' benefits and services have increased only by a ratio of 3 to 1 compared to 374 to 1 for Social Security and Medicare; 145 to 1 for health; 118 to 1 for education, training, employment and social services; and 30 to 1 for income security.

TABLE 2. Federal Outlays for Human Resources Programs
Selected Years 1950-1988
(in millions of dollars)

Fiscal Year	Education, Training, Employment and Social Services	Health	Social Security and Medicare	Income Security	Veterans' Benefits and Services
1950	241	268	781	4,097	8,834
1955	445	291	4,427	5,071	4,675
1960	968	795	11,602	7,378	5,441
1965	2,146	1,791	17,460	9,455	5,723
1970	8,634	5,907	36,483	15,645	8,679
1975	16,002	12,930	77,533	50,160	16,599
1980	31,843	23,169	150,637	86,540	21,185
1985	29,342	33,542	254,445	128,200	26,292
1988 (est.)	28,429	38,865	292,420	124,784	27,160
Ratio of 1987 to 1950, except for Medicare which is ratio of 1987 to 1970	118 to 1	145 to 1	374 to 1	30 to 1	3 to 1

Source: Office of Management and Budget. Historical Tables. Budget of the United States Government. Fiscal year 1988. Table 3.1

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Federal spending for health and Medicare programs is expected to total $111,897 million in FY 1988. The following table displays the total Federal outlays for health, Medicare and veterans' hospital and medical care, and the percentage attributable to veterans. There has been a steady decline of Federal outlays attributed to veterans, from fiscal years 1977 to 1987.

TABLE 3. Federal Outlays for Health, Medicare and Veterans' Hospital and Medical Care, Fiscal Years 1977-1988 (in millions of dollars)

Fiscal Year	Outlays for Health a/	Outlays for Medicare	Outlays for Veterans' Hospital and Medical Care	Total	Veterans as Percent of Total
1977	17,302	19,345	4,708	41,355	11.4
1978	18,524	22,768	5,254	46,546	11.3
1979	20,494	26,495	5,611	52,609	10.7
1980	23,169	32,090	6,515	61,774	10.5
1981	26,866	39,149	6,965	72,980	9.5
1982	27,445	46,567	7,517	81,529	9.2
1983	28,641	52,588	8,272	89,501	9.2
1984	30,417	57,540	8,861	96,818	9.2
1985	33,542	65,822	9,547	108,911	8.8
1986	35,936	70,164	9,872	115,972	8.5
1987 (est.)	39,665	71,614	10,257	121,536	8.4
1988 (est.)	38,865	73,032	10,499	122,396	8.6

a/ Outlays are from budget function 550, which does not include Medicare, Veterans' Administration or Defense Department spending for health care.

Source: Office of Management and Budget. Historical Tables. Budget of the United States Government. Fiscal Year 1988. Table 3.3

The following table provides Federal outlays for veterans benefits and services as a percent of Gross National Product (GNP) for fiscal years 1977-1988 (estimated). As a percentage of GNP, the cost of veterans' benefits and services has steadily declined, from 0.93 in 1977 to an estimated 0.57 in 1988.

TABLE 4. Federal Outlays for Veterans' Benefits and Services as a Percent of Gross National Product
Fiscal Years 1977-1988

Fiscal year	Percent of GNP
1977	0.93
1978	0.87
1979	0.81
1980	0.79
1981	0.77
1982	0.76
1983	0.75
1984	0.69
1985	0.67
1986	0.63
1987 (est.)	0.60
1988 (est.)	0.57

Source: Office of Management and Budget. Historical Tables. Budget of the United States Government. Fiscal Year 1988. Tables 1.2 and 3.1.

Anne C. Stewart
Analyst in Social Legislation
Education and Public Welfare Division
February 13, 1987

Canteen service revolving fund	1	2	2	2		
General post fund	13	14	14	14		
American Battle Monuments Committee	13	13	12	12		—1
Subtotal 705	784	844	846	852	6	8
Subtotal Function 700	26,849	26,860	27,352	27,541	189	681
Deduction for offsetting receipts	—986	—988	—988	—988		
Other Function 700 accounts	57	60	65	65		5
Total Function 700	25,920	25,932	26,429	26,618	189	686

[1] Less than $1 million.
[2] 1987 figure includes proposed supplementals and rescissions.
[3] Restimated by CBO.

BUDGET AUTHORITY
1979-1988
(dollars in millions)

Appropriation/Fund Account	ACTUALS 1979	1980	1981	1982	1983	1984	1985	1986	ESTIMATES 1987	1988
Federal funds (continued):										
Total appropriations (adjusted)	19,901.414	20,551.810	22,455.221	24,216.029	24,611.205	25,685.392	26,387.026	26,230.374	26,299.950	26,964.593
Proposed legislation:										
Compensation	...	...	...	...	...	...	...	...	...	301.000
Burial benefits	...	...	...	...	...	...	...	...	...	-35.550
Readjustment benefits	...	...	...	...	...	...	...	...	...	-20.400
Veterans insurance & indemnities	...	...	...	...	...	...	...	...	...	4.250
Loan guaranty revolving fund	...	...	...	...	...	...	...	...	...	-389.800
Proprietary receipts from the public	...	...	...	...	...	...	...	...	...	221.873
Total proposed legislation	...	...	...	...	...	...	...	...	...	81.373
Deduct: Proprietary receipts from the public	-3.821	-2.450	-2.942	-3.476	-77.510	-59.070	...	-113.253	-271.064	-471.873
Total federal funds	19,897.593	20,549.360	22,452.279	24,212.553	24,533.695	25,626.322	26,387.026	26,117.121	26,028.886	26,574.093
Trust funds:										
Post-vietnam era veterans education account	70.788	111.302	142.245	161.057	222.315	224.776	290.399	323.875	241.250	201.860
General post fund	6.460	7.414	7.707	9.942	10.667	13.447	11.521	13.996	14.500	15.000
National service life insurance	982.543	1,044.166	1,104.104	1,163.633	1,202.072	1,248.781	1,304.888	1,367.013	1,371.800	1,375.100
U.S Government life insurance	38.310	37.968	34.152	31.209	26.268	23.279	21.556	19.644	17.530	15.520
Total trust funds (gross)	1,098.101	1,200.850	1,288.208	1,365.841	1,461.322	1,510.283	1,628.364	1,724.528	1,645.080	1,607.480
Deduct: Proprietary receipts from the public	-526.328	-572.587	-600.967	-612.103	-605.105	-617.028	-636.704	-650.226	-514.110	-467.310
Total trust funds (net)	571.773	628.263	687.241	753.738	856.217	893.255	991.660	1,074.302	1,130.970	1,140.170
Deduct: Intragovernmental transactions	-2.369	-3.014	-6.640	-21.521	-65.911	-51.008	-80.412	-116.350	-132.353	-138.902
Total Veterans Administration	$20,466.997	$21,174.609	$23,132.880	$24,944.770	$25,324.001	$26,468.569	$27,298.274	$27,075.073	$27,027.503	$27,575.361

BUDGET AUTHORITY

1979-1988

(dollars in millions)

Appropriation/Fund Account	ACTUALS								ESTIMATES	
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Federal funds:										
Benefit programs:										
Compensation	$6,909.452	$7,353.000	$8,529.783	$9,590.493	$9,565.916	$9,952.512	$10,232.458	$10,429.506	$10,488.613	$10,352.000
Pensions	3,554.848	3,608.100	3,794.177	4,047.600	3,741.634	3,916.000	3,809.870	3,850.179	3,827.500	3,840.600
Burial benefits and miscellaneous assistance	178.545	185.700	207.684	140.057	122.250	128.388	132.572	129.314	128.487	141.687
Readjustment benefits	2,509.555	2,373.535	2,349.673	1,964.100	1,666.800	1,443.200	1,130.800	895.569	741.150	625.700
Veterans insurance and indemnities	5.750	5.400	5.406	9.350	6.400	7.400	11.000	9.745	4.770	14.290
Reinstated entitlement program for survivors	...	...	...	...	...	51.000	...	...	...	...
Veterans job training	...	...	...	...	...	130.000	...	35.000	...	...
Loan guaranty revolving fund	...	...	...	...	...	260.000	306.600	200.000	...	389.800
Vocational rehabilitation revolving fund	...	...	1.250	...	...	...	...	...	...	...
Total benefit programs	13,158.150	13,525.735	14,887.973	15,751.600	15,103.000	15,888.500	15,623.300	15,549.313	15,190.520	15,364.077
Medical programs:										
Medical care	5,374.374	5,832.039	6,339.396	7,101.028	7,773.254	8,244.414	8,941.169	9,130.137	9,628.507	9,967.608
Rescission proposal	...	...	...	...	...	...	...	...	-75.000	...
Total Medical care	5,374.374	5,832.039	6,339.396	7,101.028	7,773.254	8,244.414	8,941.169	9,130.137	9,553.507	9,967.608
Medical and prosthetic research	122.847	125.847	140.070	140.855	154.839	217.680	192.695	181.127	212.798	198.766
Medical administration and miscellaneous operating expenses	47.058	48.205	52.809	69.369	56.420	66.552	67.891	51.222	42.275	49.848
Grants for construction of state extended care facilities	10.000	7.500	25.000	15.840	18.000	18.000	34.500	20.822	42.400	42.000
Grants to the republic of the philippines	.500	1.350	1.200	1.000	.500	.500	.500	.474	.500	.500
Assistance for health manpower training institutions	104.905	...	...	...	...	...	...	...	...	...
Total medical programs	5,659.684	6,014.941	6,548.475	7,328.092	8,003.013	8,547.146	9,236.755	9,383.782	9,851.480	10,258.722
Construction programs:										
Construction, major projects	365.560	321.292	261.614	372.270	670.792	345.692	568.194	485.544	382.708	400.556
Construction, minor projects	86.345	73.233	108.908	102.010	141.748	185.378	199.823	95.077	80.000	121.038
Parking garage revolving fund	...	...	...	...	...	...	...	...	26.000	4.100
Total construction programs	451.905	394.525	370.522	474.280	812.540	531.070	768.017	580.621	488.708	525.694
General operating expenses and misc.										
General operating expenses	631.675	611.609	643.251	662.057	690.152	715.676	753.954	713.819	769.242	816.100
Grants for the construction of state veterans cemeteries	...	5.000	5.000	...	2.500	3.000	5.000	2.839	...	...
Total general operating expenses & miscellaneous	631.675	616.609	648.251	662.057	692.652	718.676	758.954	716.658	769.242	816.100

OUTLAYS
1979—1988
(dollars in millions)

Appropriation/Fund Account	ACTUAL								ESTIMATES	
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Federal funds										
Benefit programs:										
Compensation	$6,743.320	$7,433.501	$8,425.760	$9,276.429	$9,843.853	$9,915.741	$10,243.044	$10,416.201	$10,494.100	$10,369.000
Pensions	3,521.725	3,585.368	3,755.107	3,879.396	3,893.900	3,874.220	3,841.865	3,874.368	3,830.500	3,839.500
Burial benefits and miscellanous assistance	176.881	183.213	208.135	140.060	122.250	128.388	132.572	121.909	135.908	141.687
Readjustment benefits	2,810.812	2,416.976	2,332.121	2,005.365	1,713.702	1,408.267	1,173.667	918.056	756.297	646.000
Veterans insurance and indemnities	4.421	3.919	8.714	9.255	6.629	7.167	10.916	9.936	5.027	14.290
Reinstated entitlement program for survivors	...	...	...	...	...	44.802	-15.326	9.856	5.398	...
Veterans' job training	...	...	...	...	...	17.078	68.838	34.192	41.737	5.498
Loan guaranty revolving fund	207.112	27.557	277.820	183.027	239.268	369.847	278.462	162.769	277.800	253.500
Direct loan revolving fund	-65.358	-67.154	-128.274	-62.266	-139.764	-44.573	-40.675	-28.669	-36.900	-29.600
Service-disabled veterans insurance fund	.893	2.789	-.485	-2.563	.432	-.395	-3.168	-2.533	6.200	-2.170
Veterans reopened insurance fund	-27.900	-17.227	-13.778	-18.659	-22.475	-15.864	11.417	40.123	-4.260	-2.200
Education loan fund	6.367	3.338	.987	-5.187	-6.577	-6.780	-6.325	-6.248	-6.183	-6.440
Vocational rehabilitation revolving fund	.023	.008	-.037	.059	-.021	.024	-.041	-.061	.009	.015
Servicemen's group life insurance fund	.464	-.146	.118	-39.998	-39.751	-27.010	-19.750	-5.726	-16.600	-12.900
Total benefit programs	13,378.760	13,572.142	14,866.188	15,364.918	15,611.446	15,670.912	15,675.496	15,544.173	15,489.033	15,216.180
Medical programs:										
Medical care	5,159.544	5,981.288	6,320.088	6,851.668	7,602.087	8,123.794	8,721.690	9,095.306	9,500.505	9,848.739
Rescission proposal	...	...	...	...	...	...	...	...	-74.055	-.945
Total Medical care	5,159.544	5,981.288	6,320.088	6,851.668	7,602.087	8,123.794	8,721.690	9,095.306	9,426.450	9,847.794
Medical and prosthetic research	117.270	130.912	135.288	135.258	151.583	186.289	215.124	181.246	212.729	207.076
Medical administration and miscellaneous operating expenses	42.621	50.052	49.461	51.546	58.365	64.581	65.571	54.780	43.417	43.981
Grants for construction of State extended care facilities	14.303	14.223	9.002	15.253	13.612	5.154	20.364	16.684	30.445	33.677
Grants to the Republic of the Philippines	.187	1.330	1.202	182	.353	.454	.339	.562	.608	.500
Assistance for health manpower training institutions	40.672	42.406	47.175	34.377	17.467	5.252	2.171	.986	.597	...
Construction and operation of garage and parking facilities	...	-.122	-.134	.080	.176	...	...	...	...	...
Canteen service revolving fund	-3.250	-.887	-1.632	-.803	-5.333	1.224	-11.027	1.579	1.033	2.072
Special therapeutic and rehabilitation activities fund	-.164	-.191	-.048	-.175	-.010	-.072	-.112	.059	-.030	-.030
Consolidated working fund	.003	1.369	...	...	...	...	...	...	...	...
Total medical programs	5,371.186	6,220.380	6,560.402	7,087.386	7,838.300	8,386.676	9,014.120	9,351.202	9,715.249	10,135.070

OUTLAYS
1979—1988
(dollars in millions)

Appropriation/Fund Account	ACTUALS								ESTIMATES	
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Federal funds (Continued):										
Construction programs:										
Construction, major projects	150.232	189.506	307.558	345.323	337.782	352.805	397.966	389.509	452.211	471.078
Construction, minor projects	86.265	105.168	95.773	83.355	90.872	122.663	123.512	132.877	154.947	138.691
Parking garage revolving fund	...	...	...	...	...	...	...	...	.693	6.494
Total construction programs	236.497	294.674	403.331	428.678	428.654	475.468	521.478	522.386	607.851	616.263
General operating expenses and misc.										
General operating expenses	603.295	629.972	624.133	649.939	673.710	704.093	724.048	729.522	755.284	801.946
Grants for the construction of State veterans cemeteries	...	.234	.674	.861	1.593	.849	.534	3.710	2.400	2.750
Supply fund	-7.596	-4.249	-.841	-11.511	-22.376	-9.477	-14.543	17.460	...	...
Total general operating expenses & misc	595.699	625.957	623.966	639.289	652.927	695.465	710.039	750.692	757.684	804.696
Total appropriations and funds	19,582.142	20,713.153	22,453.887	23,520.271	24,531.327	25,228.521	25,921.133	26,168.453	26,569.817	26,772.209
Proposed legislation:										
Compensation	...	...	...	...	...	...	...	...	...	271.000
Burial benefits	...	...	...	...	...	...	...	...	...	-35.550
Readjustment benefits	...	...	...	...	...	...	...	...	...	-19.700
Veterans insurance and indemnities	...	...	...	...	...	...	...	...	...	4.250
Loan guaranty revolving fund	...	...	...	...	...	...	...	...	-91.000	-389.823
Education Loan	...	...	...	...	...	...	...	...	...	-.039
Proprietary receipts from the public	...	...	...	...	...	...	...	...	...	221.873
Total proposed legislation	...	...	...	...	...	...	...	...	-91.000	52.011
Deduct: Proprietary receipts from the public	-3.821	-2.450	-2.942	-3.476	-77.510	-59.070	...	-113.253	-271.064	-471.873
Total federal funds	19,578.321	20,710.703	22,450.945	23,516.795	24,453.817	24,169.451	25,921.133	25,055.200	26,207.753	26,352.347
Trust funds:										
Post-vietnam era veterans education account	13.815	32.653	62.777	107.453	140.329	155.996	182.458	225.251	233.500	219.600
General post fund	5.547	6.186	6.887	7.641	9.449	10.479	11.400	11.844	13.000	14.000
National service life insurance	785.393	928.228	965.147	925.291	890.928	922.003	955.965	1,037.408	1,046.600	1,085.900
U.S. Government life insurance	70.841	76.683	70.048	64.332	59.851	51.879	45.698	44.739	43.090	39.630
Veterans special life insurance	-38.049	-44.317	-44.194	-50.510	-56.486	-57.992	-66.823	-72.156	-62.100	-59.900
Total trust funds (gross)	837.547	999.433	1,060.665	1,054.207	1,044.071	1,082.365	1,128.698	1,247.086	1,274.090	1,299.230
Deduct: Proprietary receipts from the public	-526.328	-572.587	-600.967	-612.103	-605.105	-617.028	-636.704	-650.226	-514.110	-467.310
Total trust funds (net)	311.219	426.846	459.698	442.104	438.966	465.337	491.994	596.860	759.980	831.920
Deduct: Intragovernmental transactions	-2.369	-3.014	-6.640	-21.521	-65.911	-51.008	-80.412	-116.350	-132.353	-138.902
Total Veterans Administration	$19,887.171	$21,134.535	$22,904.003	$23,937.378	$24,826.872	$25,583.780	$26,332.715	$26,535.710	$26,835.380	$27,045.365